



Flaster/Greenberg

A team of dedicated attorneys helps physicians get back to the business of providing health care to patients.

by **LIZ HUNTER** | PHOTOGRAPHY BY **JEFF ANDERSON**

THERE'S NO QUESTION that the health care industry in America is rapidly evolving and it's having a direct impact on physicians. As the country struggles with ways to deliver health care at a lower cost, physicians are faced with decisions about efficiency, consolidation and asset protection. It's something that's reflected in South Jersey as local physicians find it harder to manage private practices and choose instead to affiliate themselves with larger organizations or health care systems. According to a 2011 American Hospital Association survey, the number of doctors on hospital payrolls increased 32 percent from 2000 to 2010, with the rate accelerating after 2005. The AHA reports approximately 20 percent of practicing physicians now work for hospitals.

Consolidation and mergers are just pieces of the changing health care landscape that physicians have to contemplate, often drawing their attention away from their real life's

work—helping sick people. The law firm Flaster/Greenberg, with New Jersey office locations in Cherry Hill, Vineland and Linwood, has been involved in thousands of physician practice matters through the years, serving as trusted counsel to several of the largest practices in the area. The firm's attorneys have extensive experience in the health care industry and health care law, allowing them to provide focused, practical and efficient service to clients. Health care providers and related businesses have turned to Flaster/Greenberg for assistance with mergers and acquisitions, employment law, tax, estates, asset protection planning, and pension and benefit plans, among others.

Steve Greenberg is president and chair of the health care department at Flaster/Greenberg. He concentrates his practice in health care law, tax and corporate legal services, including all types of business transactions, mergers and acquisitions. He says it is im-

portant for physicians to turn to attorneys with advanced experience in these areas when considering what route to take for their professional futures. "Our firm has represented physicians since its inception," he says. "Working in this area of the law has given us the opportunity to see the good, bad and the ugly. We know what has worked well and what pitfalls clients should be aware of when contemplating these transactions."

Private practices getting absorbed into larger health systems is one of the most publicized methods of consolidation. Physicians may consider selling a practice to a hospital or entering into a financial agreement with one

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will be holding a series of executive roundtables on hot topics in Physician Healthcare Management. The event is free for physicians. For more information, visit FlasterGreenberg.com/HCSeries.

to help reduce costs while creating income stability, increasing reimbursements and attracting patient volume. This trend toward consolidation has created what is known as Accountable Care Organizations (ACOs), which is another option for physicians who are looking to build a future within a large organization that will share in cost savings and bring revenue back to those involved.

"The government encourages these ACOs to reduce health care costs by minimizing the treatment provided to patients without sacrificing the care," says Mark Roderick, shareholder at Flaster/Greenberg. "If the ACO members are successful, the government refunds a portion of the savings back to the group."

Additionally, private equity firms are also analyzing and making investments in the health care industry. Alan Zuckerman, shareholder at Flaster/Greenberg, says these private equity firms are looking to buy physician's practices, but it's not a simple transaction. "In New Jersey, the law generally states that non-physicians cannot own a medical practice," he says. "We have the experience navigating within the laws to help the firm form a management service organization (MSO) for the practice it wishes to buy." Flaster/Greenberg has participated in equity deals like this on a national and local level.

"These moves are indicative of the industrywide movement away from segmentation," says Roderick. "We don't know what the health care industry will look like in 20 years—if it will be government owned or if it will be large institutions. Private equity is another way that medicine is becoming industrialized."

It's a major decision for physicians to think about which way to go. Flaster/Greenberg attorneys can determine how to structure the merger or sale of a practice from a corporate tax, liability, antitrust, regulatory and estate planning perspective, says Roderick. "We have in-depth knowledge of these concepts, having done it for hundreds of clients."

No matter how physicians choose to move for-

ward with practicing medicine, it's important for their assets to be protected. "There are different approaches to take when dealing with physicians' assets," Zuckerman says. "From asset protection and estate planning, there are different levels of planning, ranging from how their assets are titled to more complicated variations such as using a limited liability company to hold assets or using a domestic or offshore asset protection trust. We're able to take into account not only how to minimize a client's exposure to taxes and liabilities, but also the family's access to the assets."

Roderick says there are no prerequisites to meeting with an attorney at Flaster/Greenberg. "Any physician who wants to come to talk with us doesn't need to know what outcome they want. Once we meet, we can help them figure out the best path to choose."

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Greenberg says that doctors' primary focus through the years has always been the quality of service delivered to patients. "In some ways, service is being delivered at a higher level, yet at the same time, doctors probably face more obstacles in the practice of medicine than they ever have before," he says. "It's an over-regulated business, especially in New Jersey, and our goal is to take some of these burdens off of the doctor and allow him or her to get back to the calling of healing the sick." ■

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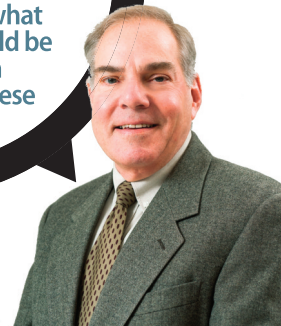
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